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The gold standard from
the standpoint...

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NATIONAL SOUND MONEY LEAGUE
PAMPHLET K.

THE
GOLD
STANDARD

FROM THE
STANDPOINT OF
THE WESTERN
STATES

By

HON. JOSEPH M. CAREY,

Ex-United States
Senator for
Wyoming.

THE
FOLLY AND
FUTILITY OF
FIGHTING
EVOLUTION

By

LOUIS R. EHRICH,

Of....
Colorado Springs,
Colo.

PUBLISHED BY THE
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1898

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THE GOLD STANDARD FROM THE STANDPOINT OF THE WESTERN STATES

By HON. J. M. CAREY, EX-UNITED STATES SENATOR FOR WYOMING.

[Address delivered at the National Currency Convention, Omaha, Neb., Sept. 14th, 1898.]

MR. PRESIDENT, LADIES AND GENTLEMEN:

We cannot define the West. It has no abiding boundaries, for any lines which we may draw north and south through the United States in our attempts to locate the West are arbitrary ones. If the eastern boundary of the West is defined by the Mississippi river, we include political divisions which are noted for their large fixed population, for their accumulated wealth, for their development and for their intelligence. Perhaps a better division of the East and West would be the eastern boundaries of the Dakotas, Nebraska, Kansas and Indian Territory extended south through the State of Texas. The West thus defined would include half of the compact territory of the United States. All of this West, save that of a portion of Texas, the States of California and Oregon and the Territory of New Mexico, had scarcely a name at the breaking out of the civil war. We might call the new country, which has become important political divisions of the United States since Mr. Lincoln was elected President, "the West."

The Best Standard for All.

While my subject is entitled a gold standard from the standpoint of the Western States, the limitation so far as section is concerned is entire unnecessary, and therefore useless. Our contention is, the best standard of money for the extreme West, or the country that is most thoroughly impregnated and imbued with the Farmers' Alliance and Populistic theories, is the best standard for the extreme East. The best standard for the agriculturist of Kansas and Nebraska and the mining States is the best standard for New York City. In other words, the best standard in one section is the best standard for all regions of the United States. Speaking of a standard, we allude to that quality possessed by a metallic money which measures all values, gives stability and elasticity, but circulates in all sections without depreciation; that goes and comes without its value being questioned or suspicion. The foundation of the metal which forms the basic money should be labor.

Coin Should Have Intrinsic Value.

While it is impossible to have any product produced by labor absolutely fixed in value, it is important that the money standard, which is the basis of the redemption of all currency of whatever kind and the true measure of values, should have the least possible fluctuation in value, and that all tests applied to it should leave the substance in whatever condition reduced as the changes take place in its former shape, of the same intrinsic value. If the standard be of gold, the metal when turned into the coinage of the realm should have the same value as it had in the shape of the bar, or the coin reduced into any shape of the same fineness, whether by design or accident, should have exactly the same value that its weight would have in coin.

This test applied to any metal used as money makes the coin equal in value to

its weight in the bullion of the same metal and fineness of which it is made, or vice versa. Every effort to fix the value of a standard in any other way has proved a failure. The imprint of the face of a king, emperor or dictator, made upon the coin, does not give it value. To impress a value has been tried many, many times, but it has as often failed. Such a coin may circulate for a time without question in the jurisdiction where made, but such time for its circulation is usually short, and the moment it gets beyond the jurisdiction which has attempted to give it value it depreciates to the actual value of the weight of the material of which it is made. The only impressions that should be made on the coin are its weight and its degree of fineness.

The Standard of the World.

The gold standard is the standard of the United States; it in truth is the standard of the world. In the few countries where it has not been so made by positive enactment it is there no less the standard than if it was made so by written law. The further we make inquiry with reference to the standards of money I believe the more firmly convinced we will be that a law of nature has had most to do in fixing gold as the money standard of the world.

A comparatively few years ago the best known means of transportation on land was that afforded by domestic animals ridden or harnessed to the then best known designs of wagons or carriages, the animals used being determined in different countries by circumstances. Domestic animals are now used to a very limited extent for the carriage of passengers and freight on long distances. Steam and electricity, where heavy loads must be transported and moved quickly, have largely supplanted the use of animals, just as the animals, possessing greater strength and endurance, supplanted to a great extent in early history of the world man as a beast of burden. A century ago the winds of heaven were the chief propelling power for the transportation of mankind and all articles of commerce on the lakes, rivers and high seas. Better means were found, better propelling power, more rapid and satisfactory, was discovered in the utilization of steam and electricity. Iron is better adapted to the construction of ships than wood, consequently the iron steamship has largely supplanted the wooden ship equipped with canvas sails.

Before the discovery of steam, the nation and individual were content to transmit news and important communications by the stage coach, pony express or by slow sailing vessels. We might go on indefinitely in our illustrations. Suppose that Great Britain, in her intercourse with her colonies, or with the world, should say that because a century ago she carried on her commerce successfully in the craft of the period, and sent her dispatches by the means customary at that time, that she would now return to those methods, and that the telegraph lines should be removed; that the ocean cables should be permitted to go into disuse; that the great iron steamships which play a most important part in the commerce between nations should be moored at the quays to decay, and that in all things in which advances have been made she would return from the present modes of transacting business to the mode of a century ago. The world would soon discover that Great Britain had lost her prestige in the world of business and intelligence, and that she had reached her summit of growth, and that hereafter her condition would be that of retrogression.

Gold Meets the Public Requirements.

With reference to what metal shall be considered and used as the standard of money there has not been less growth than in the improvements which have been made in the commerce of the world. At one time iron was good enough for a money metal. It supplied all the qualities required for money at the time it was used. The same may be said of copper and brass. The world has advanced, not however as the result of any law or positive enactment. It has reached the con-

clusion that gold only, so far as it has learned, of all substances, is best adapted as a money standard. It is convenient; it is well-nigh indestructible; it is of that bulk in proportion to the labor required to produce it as to most nearly satisfy all that is desired as a money standard in one jurisdiction and in all jurisdictions; and it is well adapted to all the demands of the commercial nations as the money metal. It is sufficiently abundant. The world's test of it is the test to which we have alluded. Its bullion value is the same as its coin value. It has outstripped all other metals, and no other metal, so far as we to-day know, can supply its place for all that is required of it as a money standard. In saying this, we do not want to be understood as undervaluing the use of silver as money in small transactions, or what is commonly known as token money. Silver has many of the qualities possessed by gold; it is hard to destroy; it is clean, and for money of small denominations it is well adapted, but because of its bulk in proportion to the labor required to produce it, it does not possess requirements for exchanges between nations, or exchanges between individuals of the same nation. As a supplemental money, it cannot be too highly commended. The silver dollar, for every-day small transactions, is far superior to the gold dollar, but to coin silver in twenty-dollar pieces would make these coins inconvenient and undesirable for use in small transactions. Silver has not and will not longer stand the tests required of it as a national and international money standard metal.

Free Coinage Fallacies.

The advocates of silver, through some legerdemain of legislation, insist that the United States should make sixteen ounces of silver equal to one of gold, or in other words, that one ounce of gold should not be worth more than sixteen ounces of silver. Approximately, at this time, an ounce of gold is worth thirty-two ounces of silver. In other words, it takes twice the labor to produce one ounce of gold than it does sixteen ounces of silver. That there are very many students of the money question who firmly believe that if the great nations of the world could be allied, and there could be an agreement among these nations to throw open their mints to the free and unlimited coinage of both gold and silver, that a predetermined ratio of sixteen grains of silver to one grain of gold could be maintained.

Efforts have been made by several of the great nations to secure such an international agreement. Commissioners of the great nations have met more than once in convention, clothed with authority to act in the consideration of the ratios of the metals, and to determine whether it would be possible to arrive at an agreement to open mints to the free coinage of both metals. Each convention, however, in its deliberations, so far as we can determine, has gotten further away from an agreement than when the first convention met in the city of Paris in 1878. It is plain to be seen that the great nations of the world have reached the conclusion that has been forced upon them by nature's laws, namely, that gold is the best standard, and it is equally significant that they have no inclination to return to a silver standard or to a double standard.

The March of Empire.

Since Braddock's defeat in Pennsylvania, in the last century, there has been a constant pushing out towards the West by an aggressive, irresistible people, willing to endure hardships, willing to struggle with obstacles, willing to venture all in the building up of new States, to become a part and parcel of the American system.

Great empires have been builded; first of these may be known as comprising the Middle Western States. The Mississippi was reached in the first half of the century. The western boundaries of the States on the Mississippi were soon crossed. The population rapidly scattered over the entire area of the trans-Mis-

Mississippi country. The acquisitions of California and the territory now occupied by the States of Oregon and Washington made these aggressive people almost jump across a country as large as all the then settled portion of the United States. Great States have been founded and admitted as a part of the American Union. The growth of the intermediate country between the Mississippi and the Pacific Ocean has been very rapid. The discovery of precious minerals in many places in the trans-Mississippi country added greatly to the incentives and inducements for a forward movement of that ever-restless class that has been common in the United States since the foundation of the national government. So rapid was the growth of the Pacific States that the government, in the stress of a great war, felt the need of a continental railroad. It lent its credit, and made large donations of the public domain to secure its building. This was but the forerunner of other continental lines which have succeeded it, making no less than six great lines now crossing this continent, all of which are sustained by the commerce of the world and the commerce of the country which these roads traverse. Not only railroad enterprises, but other great works and undertakings have been initiated and fostered by the people in the extreme eastern States of the nation. They have loaned their capital, given their energies and best abilities to the development of these great enterprises in the country known as the West. The interest of the people of the East in the States of Nebraska, of Wyoming, Montana and Idaho, is just as great as that of the people living in those States. A railroad board of directors living in the State of New York, the banker in Boston, and the manufacturer in Philadelphia each day read the crop reports of the great wheat and corn belts of the United States with the most intense interest. With the greatest care they anticipate and measure what the harvest will be. They study the prices current to determine whether the farmer will have much to ship, and whether the prices will justify the agriculturist in making large demands upon the transportation companies. The railroad official is extremely anxious that the crops shall be large, and that the prices paid the farmers shall be remunerative, for upon these two things depend whether he can make successful returns to those who have invested capital in the transportation companies. The banker in Wall street is equally interested, because the crops and the price therefor determines whether the transportation companies can refund their obligations, meet the operating expenses and interest on their bonds promptly. The manufacturer watches to determine, if possible, to what capacity he shall run his plant, as his sales to the merchant will be determined by the condition which the agriculturist shall be in after he has harvested and marketed the crops of the season. Hence, it will be seen that instead of there being distinct interests, there is a common interest, and he who is known as the manager of a corporation, the president of a bank, or the head of a great manufacturing plant, instead of being opposed to the farmer and trying to destroy him, has his highest and best interests at heart; indeed, his own success depends upon the success of him who cultivates the earth, and extorts from it its annual crops. Every class, be it the humblest who works in the mine, the poorest and least intelligent in the field, or the herder of the flocks, or the capitalist possessing millions in the eastern cities, has the same interest in a standard of money which shall have the least fluctuation, which is the best in the making of exchanges throughout the world; a standard which has the most qualities to commend it, and is the least objectionable from all points of view.

No International Agreement Possible.

The speaker has believed that a double standard might be maintained through international agreement. Such an agreement, however, appears no longer probable. The gold standard is rapidly being accepted by all the nations that have

heretofore clung to silver. That the displacement of silver and the supremacy of gold as a standard has been brought about by conditions not the result of legislation, or the result of any effort on the part of banks, banking institutions or individuals, but from natural causes, is rapidly becoming a fixed conviction. It has come as all advancements and improvements come. In the end we adopt instruments and appliances which seem to be the best adapted for the work we have to do. This has been none the less true with reference to money. The change has been gradual. One nation has followed another until gold has become the well-nigh universal standard of the world.

Bi-metallism was adopted in Great Britain early in the eighteenth century. It was tried, but unsuccessfully. Though there were enactments, and every effort was made, silver and gold were not maintained at a parity, at any fixed ratio, and after the trial of nearly a century, Great Britain, in 1816, abandoned bi-metallism and went to mono-metallism, and it is scarcely possible that Great Britain will ever in this regard retrace her steps.

Bi-Metallism Impracticable.

In the United States, after great consideration and careful tests as to the values of gold and silver were made, bi-metallism was established. It was necessary subsequently to change the ratio fixed, but even then, practical bi-metallism was found to be an impossibility. When the gold was undervalued it went out of circulation; when the silver was undervalued, silver was exported. By law there was bi-metallism in the United States from 1792 until 1873, when silver was demonetized; yet in truth there was not bi-metallism, except at very short periods, when, during the transition period, the circulation was changing from one metal to the other. Great Britain, one of the most advanced and progressive nations on earth, has had gold as a standard for nearly a century. Germany changed her system from a silver to a gold standard in 1871. Her example was soon followed by Norway, Sweden and Denmark, and in a very short period thereafter the United States followed in the wake of these other nations. But at the time the United States made the change it was not because of the decline of silver, for at the ratio then existing the bullion value of the silver dollar was greater than that of the gold dollar, the country being on a paper basis. Perhaps no nation in the world tried harder to maintain a double standard than France. Her political economists, her political leaders and her bankers had from time to time advocated bi-metallism. The best test was made in the co-operation of the nations composing the Latin union to maintain bi-metallism. Yet, France felt it necessary to close her mints to the free coinage of silver in 1876, three years after the United States had taken like action. It will serve no purpose to follow the changes of the monetary systems of the nations of the world. The suspension of the coinage of silver in India in 1893 was followed by the adoption of the gold standard in Costa Rica, Chili and Russia, and by Japan and Peru in 1897. All the great nations of the earth keep a large amount of silver in circulation as subsidiary coin, but the United States undertook the greatest of all burdens. While gold is the standard of this country, it is burdened with carrying enormous quantities of silver. It would have been better for the United States if the silver that is now piled up in the vaults of this country had never been discovered, or, being discovered, had been left in the mining States and countries where found.

Silver Schemes That Failed.

It is doubtful whether the passage of the Bland-Allison act, or what is known as the Sherman purchase clause, in the law of 1890, so far as the maintenance of the price of silver is concerned, were of any benefit. This law gave an undue

stimulus to silver mining, and those who advocated the opening of the mints for the free and unlimited coinage of silver were encouraged in their agitation of the question. They felt these laws were only passed to allay the agitation for the time being of the silver question. While it was predicted by those who favored these laws that the price of silver would be greatly appreciated thereby, ultimately leading to the return of bi-metallism by the great nations of the earth, the contrary effect was found to be the case.

Evils of "Flat" Currency.

For centuries, acting on theory only, there have been those who have insisted that, by legislation, something could be created out of nothing. Many, many times has the experiment been tried, and as many times have these experiments failed. It cannot be claimed that the experiments have not had fair trials, for the attempt has been made to create something from nothing by the law-givers of the most intelligent nations which have existed in modern times. There are those to-day, and there were yesterday, who claim that it is within the province of the government to create money. This was not tried in the United States previous to the civil war period, when, driven by the urgent demand for currency to pay the soldiers in the field, the Congress of the United States resorted to the doubtful authority of issuing legal tender notes, commonly known as "greenbacks," first issuing \$150,000,000, and again, under distressing circumstances, providing for the issue of \$150,000,000 more, and still again, making a third issue, or a total authorization of \$450,000,000.

This government did not profit by the experience of England and France. To remove the obstacles arising from suspension of specie payments it tried the doubtful remedy of attempting to make money, or to make a currency not based on a metallic standard. Each step involved the country in greater difficulties, and postponed the day of the resumption of specie payments. It is difficult to tell how much these acts cost the tax-payers of the United States. It has been even estimated that it increased the cost of the war fully half, but whether that be true or not, we know that it, to a great extent, undermined the credit of the government when credit was most needed, and has given the nation an unsatisfactory currency system.

The successful close of the civil war, the mustering out of a great army and the cutting down of the war expenditures soon placed in the treasury of the United States surplus revenues which became available for the payment of the pressing needs and especially of the outstanding obligations. This soon led to the passage of laws looking to the gradual retirement of greenbacks, but so strong had become the idea that greenbacks were money and that it was only necessary to operate the engraver's tools and the printing press to create money in unlimited amounts, that there grew up in the United States what was known as the "Greenback Party." This party numbered as its own thousands of voters, and it declared any standard save that of the paper promises of the government.

Fortunately for this nation there were those who believed in redeeming the obligations of the nation in coin, and that the currency of the country, of whatever kind, should be worth its face representation in the coin of the United States. In the trial of strength, those who believed in sound money and in the standard that had intrinsic value, won at the elections, and the Greenbackers as a party, for the time being at least, succumbed to inevitable defeat.

False Popular Notions.

The issue of the greenback, unfortunately, created impressions and beliefs that it looks as if it would take a century to eradicate. The false education stands as a great obstacle to the placing of this nation on a firm financial basis. So deep is

the impression that a mere promise to pay is money, that there were those at the last session of Congress who advocated and strongly urged that the expenditures of our country in its war with Spain should be met with an issue of paper money without a reinforcement of gold reserve.

The opposition to the resumption act of 1875 was intense, everything was done by the opponents of the measure to prevent the full realization of a return to specie payments, January 1, 1879. I sometimes doubt whether it would be possible, were the necessity here to-day, to now pass a resumption act, as it seems impossible to secure sufficient support, in the two houses of Congress, to reform the currency legislation of the United States initiated and forced upon this country through the stress of war.

The time certainly has arrived when the gold standard should be accepted by all the people and that the nation should be placed on a sound financial basis; that its currency should be uniform and that the nation should go out of the banking business and not be hereafter compelled to get into the market and buy gold to maintain its established high credit.

The great increase of revenues, since the close of the civil war, and the great growth and development of the country, and the shown ability of the nation to speedily return to specie payments, encouraged many to believe that it was in the power, as well as the province, of the government to do anything that might be desired. The sound sentiment of the world has again and again mistrusted the ability of the government under its present financial system, and more than once has the treasury of the nation been compelled to use its credit to replenish the gold reserve to maintain the parity of all kinds of its paper obligations. Such means have not proved satisfactory; the whole system is radically wrong, and has made the treasury of the United States subject to the raids of speculators and brokers, who have simply to go to the treasury with legal tender, or treasury notes, and draw therefrom the gold which is necessary to maintain a specie basis and a sound credit.

Sound Money Presidents.

It has been fortunate for the United States that every President, from Grant to McKinley, and the Secretaries of the Treasury, since the question became an issue, have, upon investigation, found that the honor and the highest welfare of the people demanded that the credit of the country should be maintained at all hazards. I have never doubted that if Senator Henry M. Teller, or Colonel William Jennings Bryan, should be elected President, in case of emergency to maintain the gold standard, they would resort to all expedients in the absence of positive law, or the failure of Congress to enact one, that were adopted by President Cleveland in the maintenance of the country's credit and rendering it possible for the Secretary of the Treasury to redeem every obligation of the government, with the best and highest of the world's standards of money, namely, gold. Being a President of the Republic and a politician catching at every day issues which please the popular ear, are two different things.

Fortunate, indeed, has this country been in its men who dared to take the responsibilities. The credit of the United States has reached the highest standard, but it is not due to its financial legislation. The nation has demonstrated its strength in overcoming, successfully, many errors in legislation. Its resources are such that a debt so great that it had had scarce a parallel in history, has been met as it has fallen due. It has not been scaled or repudiated to the extent of a fraction. This indebtedness, in the eyes of the world, is worth its face value in the highest and best of all standards of money, that of gold, and to the greater credit of those who believe in a gold standard, for they have resisted successfully every pretext advanced, by their opponents, as reasons why the United States is

not in honor bound to meet the payment of all its obligations with the highest and best standard of money.

The agitation which has been kept alive, with reference to the free and unlimited coinage of silver, for a quarter of a century, in this country, has done more damage than all of the failures of crops, plagues and pestilences that could befall the American people in a century. The agitation that has been kept up has caused neighbor to distrust neighbor, has massed class against class, has caused the capitalist to withdraw his resources when well invested; which has sent the property of the debtor to the auction block to be sacrificed. The greatest hardship has fallen upon the people of the Western States and Territories.

The West is settled by a people generally young and impressionable. In political campaigns they are easily led to the right or left, but in the end they go to the right side of great questions. The people of a new country should not be judged too harshly. They come together in new communities, knowing but little of the antecedents of each other. They may follow false teachers for a time, but they discover their errors and get on the right side of every national question before its final settlement. A new people take an advanced stand; they make experiments, and in the end reach sound conclusions. Laws for the transfer of realty and leaseholds, disposition of water in the arid regions, and laws for the regulation of manhood suffrage, have reached the highest perfection in the English colonies. I believe it will be possible to say as much in regard to other subjects of legislation in the new States, and especially in the settlement of the financial questions which confront this nation. The West, or that portion of it which is sparsely settled, must develop slowly unless the capitalist intervenes and lends his assistance to the promotion of the great works which will be required in its development.

Agriculture is the Mainstay.

Notwithstanding the rich mines of gold and silver and the great deposits of copper that have been discovered, the extensive petroleum fields that are visible, the thousands upon thousands of acres bearing coal of good quality, and the mountains of iron there found, the most important interest must be that of agriculture. But something more has to be done than the turning over of the sod and the immediate cultivation thereof. The lands that do not require artificial irrigation, now left for settlement, are few. Canals having sufficient capacity to carry all the waters of the living streams, must be built; great reservoirs to impound the waters, not utilized during the non-irrigation season, must be constructed. The waters found in the great underground sheets must be brought to the surface for utilization. Railroads must be constructed. Great mining and manufacturing plants must be established. These improvements will cost millions upon millions of dollars. Capital must be interested, credit must be secured and maintained. The people of the West, by exchange of ideas, must themselves first be convinced and then they must convince capital that they propose to pay their debts in the same kind of money in which they are contracted. They must meet their obligations, heretofore contracted, either with gold, or with money based upon a gold standard, for every debt contracted since 1873, certainly since 1878, has for its basis, gold. For all the money, of whatever kind, whether it be paper or silver, since the resumption of specie payment, in 1879, has been worth its face denomination in gold. It is unfortunate that many think that capital has recently secured legislation against those who labor and those who are in debt. The standard in the United States is gold. It has been so for a quarter of a century. The dollar of the United States is twenty-five and eight-tenths grains of standard gold. There is no double standard in the United States, and has not been for twenty-five years. Every debt contracted during that period has been contracted in gold dollars.

No Scramble for Gold.

The annual production of gold in the last twelve years has increased nearly three times. The increase of gold in the United States, as part of the circulation, in the same period, has increased enormously. Every prediction of the silver free coinage advocates has failed to come true. Though nation after nation has adopted the gold standard the supply of gold in the United States has increased greatly per capita. The farmer and the miner in the United States have been talked to by night and by day; they have been told that some great wrong has been done them; that a class of men living in the East are seeking their ruin, when, in fact, those in the East must have, from the very nature of things, deep concern in the success of the miner and in the realization of the fondest hopes of the farmer.

We have all seen the enthusiastic free and unlimited coinage advocate shed tears as he spoke of the "crime of '73" and the wrong which he claims was done to silver. He, in his enthusiasm, clothes the white metal with a sanctity which it never possessed in the economy of man. He instills the metal with life, and so intense does he become that the devoted listener in his imagination sees an animated metal destroyed. We are happy to say that its advocates are each day becoming fewer and the teacher and the taught are each learning for himself that gold, the better standard in the higher civilization of the world, has, from natural reasons, displaced silver.

THE FOLLY AND FUTILITY OF FIGHTING EVOLUTION.

BY LOUIS R. EHRLICH, OF COLORADO SPRINGS, COLO.

[Address delivered at the National Currency Convention, Omaha, Neb.,
Sept. 13th, 1898.]

Mr. Louis R. Ehrlich, of Colorado Springs, spoke at the National Currency Convention on "The Folly and Futility of Fighting Evolution," as follows:

Near the mouths of rivers in Siberia, imbedded in the frozen soil and ice, have been found the fossils of great primeval animals, their heads all turned toward the south. These victims of the glacial period were naturally unconscious of the fact that they were overwhelmed by evolutionary forces. When the future financial historian shall delve in the drift and deposit of our age he will exhume the intellectual remains of old men from the west—principally senators of the United States—who descended into their graves with their faces all yearningly turned towards the remonetization of silver, little realizing that the change in the monetary standard of the civilized nations had come at the resistless command of evolution. To the younger men, whose minds are more plastic, and consequently more ready to recognize and to accept a fact, we therefore appeal, asking them to weigh our argument in fair and unprejudiced spirit, and then to determine whether they are not logically forced to the conclusion that the gold standard has come as the result of a vast progressive change in civilization, and that accordingly it is foolish and hopelessly futile to contend against this evolutionary development.

The last five centuries have created a new earth and a new man. The invention of printing and the discovery of America in the fifteenth century—the liberalization of religion in the sixteenth—the re-birth of science in the seventeenth—and the political enfranchisement of man achieved by the American and French revolutions towards the close of the eighteenth—unitedly developed these energizing forces which were to give birth to the age of steam and electricity in the nineteenth century. It is a corollary of evolution that "the greater amount of progress already made, the more rapidly must progress go on." Accordingly, it is only after the middle of our century that the cumulative effect of our progress created those gigantic industrial and intellectual changes which are dazzling almost to incredulity. To-day the United States alone has a greater international trade than the whole world commerce of 100 years ago. In 1850 the world's combined imports and exports aggregated 4,160 million dollars. They are now over 17,000 millions. In 1840 the world's railway mileage would not have reached one-fifth around the earth. To-day it would encircle the earth over fifteen times. In 1850 the tonnage of the world's merchant navies was a little over nine million tons. In 1897 it was twenty-six and a half million tons. In 1850 the steam power of all nations was equal to less than four million horse power. At present it exceeds fifty million horse power. The value of industries now dependent on steam is estimated at over forty-five billion dollars. In 1850

the total annual value of the manufactures of the world was about nine billion dollars. In 1888 it was over twenty-three billions.

An Era of Progress.

In 1850 the length of the telegraph lines was too insignificant for statistical record. In 1897 their length was over 840,000 miles. In 1876 there were 580 telephones in use in the world. At the beginning of 1897 the number in use in the United States alone was nearly 800,000. The early postoffice statistics are lacking. But we know that since 1881 the increase of postal patronage is at the rate of nearly 100 per cent every seven years, and the magnitude of this development can be appreciated by the statement that in 1895 the number of letters, post cards and papers transmitted was over seventeen billions. So far as education is concerned, whereas the population of Europe has increased only 40 per cent since 1840, the number of children attending school has increased 145 per cent. In 1840 the number of newspapers in the world was about 4,000. At present their number 40,000. An eminent thinker has said that in the forty years between 1835 and 1875 the progress in physical science was as great as during the 1,700 years between Hipparchus and Galileo. In 1850 the wealth of the United States was estimated at a little over seven billion dollars. The census of 1890 placed it at over sixty-two billions.

In the face of such startling facts one must be afflicted with mental blindness who does not clearly see that within the last half century the organization of society has become infinitely more complex, that national and international competition has grown far more keen, and that there has been a marvelous development in what may be called the machinery of life. Money is a species of such machinery. Would it not have been passing strange if, in this age of unparalleled progress, no improvement had been made in this most important tool of commerce? Let us now consider the progress that has been made in the money machinery of the world.

Gold and Silver as Money.

Through what may be called the preservation of the favored metals in the struggle of life, gold and silver became the money standards of the progressive nations. Both metals in high degree possessed beauty, malleability, portability, durability, and comparative stability of value. Gold, however, is the more beautiful, has greater specific gravity, has far greater value proportioned to its bulk, is better adapted for cheap transportation, and has been more stable in value. Mr. Darwin tells us that "the slightest advantage in certain individuals over those with whom they come into competition, or better adaptation in however slight a degree to the surrounding physical conditions, will turn the balance." It might therefore have been foreseen that, if ever gold and silver should compete for the world's acceptance as the single standard, gold would prevail. For centuries the civilized nations tried to work with both standards. Great inconvenience and frequent embarrassment were experienced. But the countries were to a great degree isolated, international trade was insignificant, the world was relatively poor, the stock of money slender, and the devices for supplementing metallic money almost unknown. Mr. Wallace says that "whenever the physical or organic conditions of the country change, to however small an extent, some corresponding change will be produced in the flora and fauna, since, considering the severe struggle for existence and the complex relations of the various organisms, it is hardly possible that the change should not be beneficial to some species and hurtful to others." The expanding commerce of

England towards the end of the eighteenth and the beginning of the nineteenth centuries made the double standard, as the contemporary records express it, "a great inconvenience." After extended deliberation, the act of parliament of 1816 finally reduced silver to the sole purposes of subsidiary coinage. In the battle for supremacy in England gold had won, and the single gold standard theory was now launched.

The Single Gold Standard Endorsed.

Mr. Huxley says that "the struggle for existence holds as much in the intellectual as in the physical world. A theory is a species of thinking, and its right to exist is co-extensive with its power of resisting extinction by its rivals." For fifty years after England had adopted the single gold standard the evolutionary struggle continued. When the international monetary conference assembled in Paris in 1867 the remarkable fact was disclosed that although eighteen out of the twenty nations represented were using the silver or the double standard, their vote was a practically unanimous indorsement of the desirability and approaching necessity of the single gold standard. They were doubtlessly influenced by evolutionary facts which were so powerful and so clearly defined as to have become irresistible. In the first place, they must have been impressed with the growing relative instability of the two metals. Silver, which had been worth but a little over \$1.29 an ounce during the year 1845, sold up to \$1.33 in 1851, down to \$1.32 in 1852, up to \$1.36 in 1859, down to \$1.33 1-3 in 1861, up to \$1.34 1/2 in 1864, while in the very month in which the conference was sitting, its price had again shrunk to nearly \$1.32 1/2 per ounce. In the more complex and the more sensitive trade organizations of our modern times, such fluctuations were becoming unbearable.

The evolutionists teach that isolation is a distinct factor in the preservation of lower forms of organic life; but that when, through the elevation or subsidence of continents or from other causes, the higher and lower organic forms are brought into active competition the struggle of existence is precipitated and the fittest will survive. The Paris conference realized that the comparative past isolation of the nations was disappearing. The earth had shrunk to a fraction of its former size. The steam railroad was contracting space. Whereas it had taken a sailing vessel from six to twelve weeks to cross the Atlantic, the steamship was then crossing it in less than ten days. Just a year before the assembling of this conference the Atlantic cable had been successfully laid and the space between Europe and America practically annihilated. This disappearance of national isolation was sure to intensify the struggle between gold and silver and to bring it to decisive issue. According to Mr. Herbert Spencer, the process of life consists in "the continuous maintenance of an equilibrium between the organism and its environment." Or as Professor Le Conte expresses it: "A species must be in harmony with its environment, for this is the condition of its existence." Silver as a standard for civilized nations was felt to be no longer in harmony with modern conditions, and was accordingly destined to give way to gold.

Coin, Checks and Drafts.

It is a primal law of evolution that "a struggle for existence—and consequent natural selection—inevitably follows from the high ratio at which all organic beings tend to increase." The same law may come into play in the artificial selection exercised by man. The trained economic representatives of that Paris conference could not but have been powerfully swayed by the extraordinary fact that whereas the world's product of gold and silver had been but little over a billion dollars for the twenty years between 1830 and

1850, this production had suddenly in the seventeen years between 1850 and the year of the conference, risen to approximately three billion dollars. More important still, however, was the fact that this astonishing increase of metallic money was contemporaneous with the growth of a system which, among highly civilized nations, was to render the use of metallic money less and less necessary. This system is the use of coined credit as represented by cheques, drafts and currency bills, which use has been made possible by the increasing development of banks and banking institutions. It is safe to say that in England and in the United States the exchanges between man and man are effected 200 times more by the use of coined credit than by the use of coined metals. Our "free silver" friends keep ding-donging in our ears the necessity of great stocks of metallic money because, as they say, it is the money of ultimate redemption. So far as the internal exchanges of a nation are concerned this so-called "money of ultimate redemption" is a figment of the imagination. Ultimate redemption is made not in money but in human service, or in human service mingled with the products of nature.

Mr. John Fiske says: "It is a characteristic of organic evolution that numerous progressive tendencies, for a long time inconspicuous, now and then unite to bring about a striking and apparently sudden change. It is in this way that the cause of organic development is marked here and there by memorable epochs, which seem to open new chapters in the history of the universe." The startling "progressive tendencies" of the nineteenth century were forcing nations into a choice of standards. The Paris conference unanimously declared for gold. Its president had said that their work "was only a seed sown, the germination of which could not be foreseen." The Franco-Prussian war, three years later, suddenly ripened the seed to fruit. In 1873 Germany introduced the gold standard. The United States and the Latin Union were, in self-protection, compelled to follow, and gold became the single standard of the civilized world.

Gold and Silver Abundant.

We celebrate this year the silver anniversary of the gold standard. In these twenty-five years the evolutionary progressive tendencies have grown stronger and stronger. In the twenty-five years from 1849 to 1873 the world produced the extraordinary gold and silver value of \$3,369,000,000. And yet in the twenty-five years since 1873 the world production of gold and silver has risen to \$5,750,000,000. When we reflect that gold and silver are indestructible and that their production has equaled nearly nine and three-quarter billions in the last fifty years as compared with a production of less than two and one-fifth billions in the fifty years preceding, we may well comprehend that a great change was unavoidable. Contemporaneously the possibility of coining credit by means of banking institutions has been developing at a stupendous rate. In 1851 the total number of banks and branches in the United States was 879, with total banking resources of 598 million dollars. At present we have over 9,000 banking institutions, with resources of over eight billions.

The civilized world is a giant to-day. Comparatively speaking, it was a pigmy before 1850. An evolutionist tells us that "species cannot revert unless the conditions revert." We will never revert to the silver standard unless we go back to the old conditions of life and trade. Gold will remain the standard. Evolution has decreed it. As well expect the horse to revert to the type of his five-toed diminutive ancestor—or the elephant and the rhinoceros to roam all over Europe, as they did in the post-tertiary period—

or the birds to return to the likeness of their reptilian ancestors in Mesozoic times—as to believe that the evolutionary fiat which has made gold the predominant standard will be recalled.

Silver will have its own work to perform. It will again rise in value owing to an increasing demand from the awakening civilizations of the far east. As Mr. Wallace says: "Lower forms occupy places in nature which cannot be filled by higher forms." Assuredly the civilized nations will make a grievous financial mistake if they heedlessly endeavor to force the gold standard on nations of a lower plane. As a scientist says: "It is of no use to bring a creature to a new country if it cannot live and maintain itself there." The Newfoundland dog can hardly be kept alive in India. It would be infinitely more reasonable for England to push the Newfoundland breed in India than to attempt to force the gold standard upon its inhabitants.

International Bimetallism Impossible.

My views on this great financial question have been the result of gradual evolutionism in my own thinking. I formerly believed in the possibility of so-called international bi-metallism. I have come with some pain and disappointment to discern its hopelessness and its undesirability. The American people will speedily concur in the same conclusions. The question of bi-metallism would already have disappeared from our national horizon were it not for the exigencies of our politicians. Mr. Wallace tells us that certain animals, for their own advantage and protection, have developed a mimicry of color and form. "Many of the flat-fish are capable of changing their color according to the color of the bottom they rest on." The United States is full of political flat-fish.

Yet nothing can arrest an evolutionary fact. I understand and I deeply appreciate the bias of our silver mining states. Like thousands of far-western men, I have believed that this change of monetary standards, with its consequent accelerated depression of silver and resulting prostration of western property-values, has brought me to the brink of financial ruin. None the less I have honestly tried to keep my eyes open to the truth and to resist the specious, delusive arguments which self-interest is always so ready to suggest. Every forward evolutionary change in life and in civilization has brought disaster and suffering to some. Its ultimate effect, however, is to multiply the happiness and the well-being of the many.

Like their brethren in the South who but a few years ago were eager to sacrifice life and all for their "lost cause," the men of the West, redeemed from error, will yet live to bless their defeat in this monetary battle. And the younger men, breaking away from the wiles of politicians, and from the sophisms of deceived deceivers, will open their minds to the clear, impressive facts of financial history,—will realize that the advent of the single gold standard had become an inexorable necessity in our advanced and highly progressive civilization,—and will appreciate and unreservedly admit the folly and futility of fighting evolution.

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